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10 November 2011

**Via Electronic Mail and U.S. Mail**

Daniel N. Rosenstein  
Levin & Rosenstein, P.C.  
1395 Piccard Drive  
Suite 110  
Rockville, MD 20850

Re: JOC Farms, LLC RCIS Policy NC-090-793527 (Beaufort County, NC)

Dear Dan:

I apologize for not having replied sooner to your letter of September 20, 2011. I had been waiting to respond in the hope and expectation that we would receive a response to the appeal that we filed with the National Appeals Division on August 10, 2011. Although the NAD Rules of Procedure provide that the Director will complete the review and issue a final determination within 30 business days following receipt of a request for review, however, we have had no response. Therefore, I am writing to reiterate our position, as outlined in my letter of July 21, 2011, that RCIS did not properly calculate JOC's indemnity in light of the hearing officer's Appeal Determination dated July 11, 2011.

Although the hearing officer ultimately concluded that NAD lacks jurisdiction to review RCIS's indemnity calculations, she did take testimony from Charlie Fox on that issue. If you have obtained and listened to the audio recording of Mr. Fox's testimony before the hearing officer you surely are aware that he did not provide her or the parties with a clear or cogent explanation as to how he arrived at the figure of \$100,907. After reviewing Mr. Fox's testimony, the Summary of Loss dated February 28, 2011, and the spread sheet enclosed with your letter of September 20, we conclude that he erred by failing to apply the price guarantee to our client's harvested production. It appears that Mr. Fox treated that production as if it had been sold for the guaranteed price of \$1.85 per pound; in fact, however, it was sold for an average price of 79.4 cents per pound.

Therefore, we reiterate our demand for \$619,574.41 as outlined in my letter of July 21.

Very truly yours,

**STEVENS MARTIN VAUGHN & TADYCH, PLLC**

*Hugh Stevens by MST*

Hugh Stevens

C: Joseph D. Briley, Jr.  
Ms. Diane Amera (via e-mail only)

EXHIBIT

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